

ASSEMBLY BILL

No. 1235

Introduced by Assembly Member Gordon

February 22, 2013

An act to add Article 2.45 (commencing with Section 53236) to Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1235, as introduced, Gordon. Local agencies: financial management training.

Existing law provides for the establishment and operations of cities, counties, cities and counties, districts, and other local government agencies, the composition of their governing bodies, and the payment of governing body members for attending meetings and performing other duties, and prescribes conflicts of interest. Existing law requires that all local agency officials, as specified, receive ethics training.

This bill would require that if a local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of the legislative body, all local agency officials, except a member whose term of office ends before January 1, 2015, in local agency service as of January 1, 2014, or thereafter receive training in financial management, as specified. This bill would provide that if any entity develops criteria for the financial management training, then the Treasurer's office and the Controller's office shall be consulted regarding any proposed course content. Because this bill would impose new duties on local governments, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Article 2.45 (commencing with Section 53236)
2 is added to Chapter 2 of Part 1 of Division 2 of Title 5 of the
3 Government Code, to read:

4
5 Article 2.45. Financial Management Training
6

7 53236. For the purposes of this article, the following terms
8 have the following meanings:

9 (a) "Legislative body" has the same meaning as specified in
10 Section 54952.

11 (b) "Local agency" means a city, county, city and county, charter
12 city, charter county, charter city and county, or special district.

13 (c) "Local agency official" means either of the following:

14 (1) Any member of a local agency legislative body or any
15 elected local agency official who receives any type of
16 compensation, salary, or stipend or reimbursement for actual and
17 necessary expenses incurred in the performance of official duties.

18 (2) Any employee designated by a local agency legislative body
19 to receive the training specified under this article.

20 (d) "Financial management training" includes, but is not limited
21 to, the following:

22 (1) Laws and commonly excepted best practices relating to local
23 budgeting, including, but not limited to, revenue sources, debt
24 instruments, budget monitoring, and financial policies.

25 (2) Laws relating to financial reporting requirements for local
26 agencies at the local, state, and federal levels, including auditing
27 requirements.

1 (3) Laws and commonly accepted best practices relating to
2 long-term financial planning, cash management, and investments,
3 for local agencies.

4 (4) Laws and commonly accepted best practices relating to
5 capital financing and debt management.

6 (5) Laws relating to purchasing and contracting practices.

7 53237. (a) If a local agency provides any type of compensation,
8 salary, or stipend to a member of a legislative body, or provides
9 reimbursement for actual and necessary expenses incurred by a
10 member of a legislative body in the performance of official duties,
11 then all local agency officials shall receive training in financial
12 management pursuant to this article.

13 (b) Each local agency official shall receive at least four hours
14 of training in general financial management principles and financial
15 management laws relevant to his or her public service once per
16 term of office.

17 (c) If any entity develops curricula to satisfy the requirements
18 of this section, then the Treasurer's office and the Controller's
19 office shall be consulted regarding the sufficiency and accuracy
20 of any proposed course content. When reviewing any proposed
21 course content the Treasurer's office and the Controller's office
22 shall not preclude an entity from also including local financial
23 management policies in the curricula.

24 (d) A local agency or an association of local agencies may offer
25 one or more training courses, or sets of self-study materials with
26 tests, to meet the requirements of this section. These courses may
27 be taken at home, in-person, or online.

28 (e) All providers of training courses to meet the requirements
29 of this article shall provide participants with proof of participation
30 to meet the requirements of Section 53237.2.

31 (f) A local agency shall provide information on training available
32 to meet the requirements of this article to its local officials at least
33 once annually.

34 53237.1. (a) Each local agency official in local agency service
35 as of January 1, 2014, except for officials whose term of office
36 ends before January 1, 2015, shall receive the training required by
37 subdivision (a) of Section 53237 before January 1, 2015.
38 Thereafter, each local agency official shall receive the training
39 required by subdivision (a) of Section 53237 at least once per term
40 of office.

(b) Each local agency official who commences service with a local agency on or after January 1, 2014, shall receive the training required by subdivision (a) of Section 53237 no later than one year from the first day of service with the local agency. Thereafter, each local agency official shall receive the training required by subdivision (a) of Section 53237 at least once per term of office.

(c) A local agency official who serves more than one local agency shall satisfy the requirements of this article once per term of office of one of the agencies without regard to the number of local agencies with which he or she serves.

53237.2. (a) A local agency that requires its local agency officials to complete the financial management training prescribed by this article shall maintain records indicating both of the following:

(1) The dates that local officials satisfied the requirements of this article.

(2) The entity that provided the training.

(b) Notwithstanding any other law, a local agency shall maintain these records for at least five years after local officials receive the training. These records are public records subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.